

## State of Utah

## Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

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Division Director

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> GARY R. HERBERT Lieutenant Governor

> > June 23, 2006

CERTIFIED RETURN RECEIPT 7004 2510 0004 1824 3809

Mr. Russell Larsen Lakeview Rock Products 900 North Redwood Road P.O. Box 540700 Salt Lake City, Utah 84054-0700

Subject: In the Matter of the Stop Work Conference, Findings, Conclusions and Order for the Lakeview Rock Products (LRP) Unpermitted Site, Cessation Order MC-06-01-04 (1), M/011/002, Davis County, Utah

Dear Mr. Larsen:

On June 9, 2006, the Division of Oil, Gas and Mining (OGM or Division) held a Stop Work Conference on the Lakeview Rock Products' un-permitted site in Davis County, Utah. The following individuals attended: Presiding: Mary Ann Wright, Associate Director, Mining; Lynn Kunzler, Senior Reclamation Specialist with OGM; Daron Haddock and Susan White, Permit supervisor and Mine Program Coordinator. LRP mine representatives were: Joseph Rust, Glenn Hughes, Scott Hughes and Russell Larsen.

The Findings and Conclusions and Order in this matter are based on information provided by the Division and Mine representatives in connection with the Stop Work Conference, and on information in the files of the Division.

## FINDINGS & CONCLUSIONS

- 1. Cessation Order MC-06-01-04 (1) was issued 6/9/06 for 'Failure to obtain a permit and adequate surety prior to commencing mining operations' and the CO required all mining to cease.
- 2. In a letter received 6/13/2006, Mr. Larsen requested a Stop Work Conference.
- 3. A Stop Work Conference was scheduled and properly noticed for Friday 6-16-06, and held 11:00 am, in accord with R647-6-102.4.

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- 4. Lakeview Rock Products sent a submittal on December 5, 2005, requesting an amendment to an existing mine to open the Thomas Quarry.
- 5. The Division responded on December 13, 2005 that the amendment would be dealt with after tentative approval for the existing mine.
- 6. The Division explained that the large mine being permitted by LRP has been taking much longer than expected to get it to the tentative approval stage due to issue which need to be worked out with Salt lake City. SLC is being slow to respond to the needs of the permitting process.
- 7. LRP explained that the North Salt Lake (NSL) Mayor would like to have the area cleaned up of trash, old cars, etc. so the area would be a pleasant gateway into the city. To that end, NSL entered into an agreement with LRP to get the site cleaned up. Royalty from the product being mined was funding private party clean up on the site by the landowner and LRP.
- 8. LRP stated that they had submitted an amendment in good faith for the permitting of this site last December. The Division would not allow the permitting of the Thomas Pit amendment until the other mine was permitted. LRP showed aerial photos of before and after to demonstrate that they are taking the trash off the site as requested by NSL.
- 9. LRP stated that work was stopped at the site and no mining or product delivery was taking place due to the issuance of the CO.
- 10. On Monday, June 12, LRP brought in a SMO application for the Thomas Pit and posted a \$100,000 surety bond. LRP stated that they believed they mine has been moving forward in good faith with the process of permitting and bonding the site.
- 11. LRP would like to continue with the permitting process for a 10 year Large Mine project which will leave the site developable by the Thomas family
- 12. The Conference Officer concludes that the Cessation Order is affirmed, but is amended as ordered below.

## **ORDER**

- 1. Cessation Order MC-06-01-04 (1), issued 6-9-06, is hereby affirmed.
- 2. The public's health and safety is paramount, thus the cutting of benches will continue to cease until a stand alone Large Mine application is processed and a suitable surety is posted.
- 3. The CO is hereby modified to allow for removal of product from the site, effective noon Friday June 16, 2006.

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- 4. The SMO application for the Thomas Pit will be approved effective 6/16/06.
- 5. The surety bond of \$100,000, plus a bond rider, posted for the 20 some acres of disturbance, will be properly executed and signed by LRP and OGM by 6/27/06.
- 6. An LMO application for the Thomas Pit will be submitted to OGM by 6/23/06.
- 7. The Division will publish, by 7/19/06, its intent to approve the Thomas Pit LMO.
- 8. LRP will stake the 5-acre approved SMO mine area and confine its activities to the SMO permit area until the LMO is properly approved and bonded.

Please contact Lynn Kunzler, or Susan White for permitting issues, or Beth Erickson for bonding issues and Daron Haddock for compliance, if you have any questions about the permitting or bonding process.

If you wish to appeal this Order to the Board of Oil, Gas and Mining, you may do so by contacting the Division within 30 days of receipt. Please contact Julie Carter, Secretary to the Board at 801-538-5277. If you have any questions regarding this letter, please contact me at 801-538-5306.

Sincerely

Mary Ann Wright<sup>L</sup>

Associate Director, Mining

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